UPON THE APPLICATION OF ENERPLUS RESOURCES (USA) CORPORATION FOR AUTHORITY TO PRODUCE THE NATASHA-ROBERT #1-16-HLID WELL AS AN EXCEPTION TO BOARD ORDER 77-2006 WHICH AUTHORIZED SAID WELL AS AN ADDITIONAL WELL IN THE SPACING UNIT COMPRISED OF ALL OF SECTION 36, T24N-R57E AND ALL OF SECTION 1, T23N-R57E, RICHLAND COUNTY, MONTANA, AND REQUIRED A 660-FOOT SET BACK FROM SPACING UNIT BOUNDARIES. APPLICANT HAS DETERMINED THAT THE WELL BORE IS OPEN TO THE BAKKEN FORMATION AT A LOCATION APPROXIMATELY 654' FSL OF SAID SECTION 1.

ORDER NO. 47-2007

Docket No. 49-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Enerplus Resources (USA) Corporation is granted as applied for.

# BOARD ORDER NO. 47-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

|                                       | Linda Nelson, Chairman       |
|---------------------------------------|------------------------------|
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF ENERPLUS RESOURCES (USA) CORPORATION TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN FORMATION WELL IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 32, T23N-R58E, RICHLAND COUNTY, MONTANA, ANYWHERE WITHIN SAID SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 48-2007

Docket No. 50-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Enerplus Resources (USA) Corporation is granted as applied for.

# BOARD ORDER NO. 48-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

|                                       | Linda Nelson, Chairman       |
|---------------------------------------|------------------------------|
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF ENERPLUS RESOURCES (USA) CORPORATION TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN FORMATION WELL IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 21, T24N-R55E, RICHLAND COUNTY, MONTANA, ANYWHERE WITHIN SAID PERMANENT SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 49-2007

Docket No. 51-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Enerplus Resources (USA) Corporation is granted as applied for.

# BOARD ORDER NO. 49-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

|                                       | Linda Nelson, Chairman       |
|---------------------------------------|------------------------------|
|                                       | Wayne Smith, Vice-Chairman   |
|                                       |                              |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       |                              |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       |                              |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
|                                       |                              |
| Ferri H. Perrigo, Executive Secretary |                              |

ORDER NO. 50-2007

UPON THE APPLICATION OF ENERPLUS RESOURCES (USA) CORPORATION TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN FORMATION WELL IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 34, T24N-R57E, RICHLAND COUNTY, MONTANA, ANYWHERE WITHIN SAID PERMANENT SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

Docket No. 52-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Enerplus Resources (USA) Corporation is granted as applied for.

# BOARD ORDER NO. 50-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

|                                       | Linda Nelson, Chairman       |
|---------------------------------------|------------------------------|
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF ENERPLUS RESOURCES (USA) CORPORATION TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN FORMATION WELL IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 28, T25N-R54E, RICHLAND COUNTY, MONTANA, ANYWHERE WITHIN SAID PERMANENT SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 51-2007

Docket No. 53-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Enerplus Resources (USA) Corporation is granted as applied for.

# BOARD ORDER NO. 51-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       |                              |
|                                       | Linda Nelson, Chairman       |
|                                       | W. G. H. W. Ch.              |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
|                                       |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF ENERPLUS RESOURCES (USA) CORPORATION TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN FORMATION WELL IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 36, T24N-R56E, RICHLAND COUNTY, MONTANA, ANYWHERE WITHIN SAID PERMANENT SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 52-2007

Docket No. 54-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Enerplus Resources (USA) Corporation is granted as applied for.

# BOARD ORDER NO. 52-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 53-2007

UPON THE APPLICATION OF ENERPLUS RESOURCES (USA) CORPORATION TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN FORMATION WELL IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 16, T24N-R54E, RICHLAND COUNTY, MONTANA, ANYWHERE WITHIN SAID PERMANENT SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

Docket No. 55-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Enerplus Resources (USA) Corporation is granted as applied for.

# BOARD ORDER NO. 53-2007

Terri H. Perrigo, Executive Secretary

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

|         | Linda Nelson, Chairman       |
|---------|------------------------------|
|         | Wayne Smith, Vice-Chairman   |
|         | Don Bradshaw, Board Member   |
|         |                              |
|         | Ronald S. Efta, Board Member |
|         | Jack King, Board Member      |
|         | Bret Smelser, Board Member   |
|         | Joan Stahl, Board Member     |
| ATTEST: |                              |
|         |                              |
|         |                              |

ORDER NO. 54-2007

UPON THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO CREATE A FIELD AND PERMANENT SPACING UNIT COMPRISED OF LOTS 1, 2, 3, 4, E½W½, E½ (ALL) OF SECTION 18 AND LOTS 1, 2, 3, 4, E½W½, E½ (ALL) OF SECTION 19, T22N-R59E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN FORMATION.

Docket No. 57-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Lots 1, 2, 3, 4, E½W½, E½ (all) of Section 18 and Lots 1, 2, 3, 4, E½W½, E½ (all) of Section 19, T22N-R59E, Richland County, Montana is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

# BOARD ORDER NO. 54-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       |                              |
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | ,,                           |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
|                                       |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

ORDER NO. 55-2007

UPON THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO CREATE A FIELD AND PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 35, T26N-R52E AND ALL OF SECTION 2, T25N-R52E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN FORMATION.

Docket No. 58-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 35, T26N-R52E and all of Section 2, T25N-R52E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

# BOARD ORDER NO. 55-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 56-2007

UPON THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF LOTS 1, 2, 3, 4, 5, 6, 7, S½NE¼, SE¼NW¼, E½SW¼, SE¼ (ALL) OF SECTION 6 AND LOTS 1, 2, 3, 4, E½W½, E½ (ALL) OF SECTION 7, T22N-R59E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN FORMATION, AND TO AUTHORIZE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE GROSKINSKY #44X-6 WELL.

Docket No. 59-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Lots 1, 2, 3, 4, 5, 6, 7, S½NE¼, SE¼NW¼, E½SW¼, SE¼ (all) of Section 6 and Lots 1, 2, 3, 4, E½W½, E½ (all) of Section 7, T22N-R59E, Richland County, Montana, are hereby pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Groskinsky #44X-6 well is hereby authorized.

# BOARD ORDER NO. 56-2007

| S CONSERVATION<br>MONTANA |
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ORDER NO. 57-2007

UPON THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF LOTS 1, 2, 3, 4, S½N½, S½ (ALL) OF SECTION 3 AND LOTS 1, 2, 3, 4, S½N½, S½ (ALL) OF SECTION 4, T22N-R58E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN FORMATION, AND TO AUTHORIZE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A., WITH RESPECT TO THE BOB #42X-4 WELL.

Docket No. 60-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 3 and Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 4, T22N-R58E, Richland County, Montana, are pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A., with respect to the Bob #42X-4 well is hereby authorized.

# BOARD ORDER NO. 57-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

|                                       | Linda Nelson, Chairman       |
|---------------------------------------|------------------------------|
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

ORDER NO. 58-2007

UPON THE APPLICATION OF COASTAL PETROLEUM COMPANY TO DESIGNATE A TEMPORARY SPACING UNIT COMPRISED OF THE N½ OF SECTION 16, T36N-R36E, VALLEY COUNTY, MONTANA, TO DRILL A LODGEPOLE FORMATION TEST WELL TO A DEPTH OF 6100 FEET AT A LOCATION 2416' FEL AND 1861' FNL OF SAID SECTION 16. APPLICANT ALSO REQUESTS A 150-FOOT TOPOGRAPHIC TOLERANCE.

Docket No. 61-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Coastal Petroleum Company is granted as applied for.

# BOARD ORDER NO. 58-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

UPON THE APPLICATION OF STONE ENERGY CORPORATION TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTION 7 AND LOTS 1, 2, 3, 4, W½ (ALL) OF SECTION 8, T21N-R60E, RICHLAND COUNTY, MONTANA, TO DRILL A HORIZONTAL BAKKEN FORMATION WELL ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 59-2007

Docket No. 62-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Stone Energy Corporation is granted as applied for.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

# BOARD ORDER NO. 59-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

|                                       | Linda Nelson, Chairman       |
|---------------------------------------|------------------------------|
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF STONE ENERGY CORPORATION TO CREATE A FIELD AND PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 10, T23N-R58E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN FORMATION. ORDER NO. 60-2007

Docket No. 63-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 10, T23N-R58E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

# BOARD ORDER NO. 60-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

|                                       | Linda Nelson, Chairman       |
|---------------------------------------|------------------------------|
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
|                                       |                              |
| Ferri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF STONE ENERGY CORPORATION TO CREATE A FIELD AND PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 33, T22N-R59E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN FORMATION. ORDER NO. 61-2007

Docket No. 64-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 33, T22N-R59E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Bakken Formation.

# BOARD ORDER NO. 61-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

UPON THE APPLICATION OF STONE ENERGY CORPORATION TO CREATE A FIELD AND PERMANENT SPACING UNIT COMPRISED OF THE S½ OF SECTION 23, T24N-R59E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE MADISON GROUP.

ORDER NO. 62-2007

Docket No. 65-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana the S½ of Section 23, T24N-R59E, Richland County, Montana, is designated a permanent spacing unit for production of oil and associated natural gas from the Madison Group.

# BOARD ORDER NO. 62-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

UPON THE APPLICATION OF STONE ENERGY CORPORATION TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN FORMATION WELL IN THE PERMANENT SPACING UNIT COMPRISED OF LOTS 1, 2, 3, 4, S½N½, S½ (ALL) OF SECTION 5, T22N-R58E, RICHLAND COUNTY, MONTANA, ANYWHERE WITHIN SAID PERMANENT SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 63-2007

Docket No. 66-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Stone Energy Corporation is granted as applied for.

# BOARD ORDER NO. 63-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

UPON THE APPLICATION OF STONE ENERGY CORPORATION TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN FORMATION WELL IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 31, T22N-R60E, RICHLAND COUNTY, MONTANA, ANYWHERE WITHIN SAID PERMANENT SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 64-2007

Docket No. 67-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Stone Energy Corporation is granted as applied for.

# BOARD ORDER NO. 64-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

UPON THE APPLICATION OF STONE ENERGY CORPORATION TO DRILL AN ADDITIONAL HORIZONTAL BAKKEN FORMATION WELL IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 33, T22N-R59E, RICHLAND COUNTY, MONTANA, ANYWHERE WITHIN SAID PERMANENT SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 65-2007

Docket No. 68-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Stone Energy Corporation is granted as applied for.

#### BOARD ORDER NO. 65-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 66-2007

UPON THE APPLICATION OF STONE ENERGY CORPORATION TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF LOTS 1, 2, 3, 4, S½N½, S½ (ALL) OF SECTION 2, T22N-R57E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN FORMATION, AND TO AUTHORIZE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A. WITH RESPECT TO THE KELSEY #2-2H WELL.

Docket No. 69-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Lots 1, 2, 3, 4, S½N½, S½ (all) of Section 2, T22N-R57E, Richland County, Montana, are pooled on the basis of surface acreage for production of oil and associated natural gas from the Bakken Formation.

IT IS FURTHER ORDERED that recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A. with respect to the Kelsey #2-2H well is hereby authorized.

#### BOARD ORDER NO. 66-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 67-2007

UPON THE APPLICATION OF STONE ENERGY CORPORATION TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF THE S½ OF SECTION 23, T24N-R59E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE MADISON GROUP OF FORMATIONS, AND TO AUTHORIZE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A.

Docket No. 70-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of the  $S\frac{1}{2}$  of Section 23, T24N-R59E, Richland County, Montana, are pooled on the basis of surface acreage for production of oil and associated natural gas from the Madison Group.

IT IS FURTHER ORDERED that recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A. with respect to the Watts 1-23H well is hereby authorized.

#### BOARD ORDER NO. 67-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

UPON THE APPLICATION OF FOREST OIL CORPORATION TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF THE NE<sup>1</sup>/<sub>4</sub> OF SECTION 34, T31N-R58E, SHERIDAN COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE MADISON GROUP OF FORMATIONS, AND TO AUTHORIZE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A.

ORDER NO. 68-2007

Docket No. 71-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of the NE¼ of Section 34, T31N-R58E, Sheridan County, Montana, are pooled on the basis of surface acreage for production of oil and associated natural gas from the Madison Group.

IT IS FURTHER ORDERED that recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A. with respect to the Ostby 1-34 well is hereby authorized.

#### BOARD ORDER NO. 68-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 69-2007

UPON THE APPLICATION OF FOREST OIL CORPORATION TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF THE SE¼ OF SECTION 34, T31N-R58E, SHERIDAN COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE MADISON GROUP OF FORMATIONS, AND TO AUTHORIZE RECOVERY OF NON-CONSENT PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A.

Docket No. 72-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of the SE¼ of Section 34, T31N-R58E, Sheridan County, Montana, are pooled on the basis of surface acreage for production of oil and associated natural gas from the Madison Group.

IT IS FURTHER ORDERED that recovery of non-consent penalties in accordance with Section 82-11-202(2), M.C.A. with respect to the Ostby 2-34 well is hereby authorized.

#### BOARD ORDER NO. 69-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 70-2007

UPON THE APPLICATION OF KLABZUBA OIL & GAS, INC. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTION 11, T34N-R16E, HILL COUNTY, MONTANA, TO DRILL A GAS TEST WELL TO THE EAGLE FORMATION AT A LOCATION 1080' FNL AND 2475' FWL OF SAID SECTION 11, WITH A 75-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC REASONS, AS AN EXCEPTION TO A.R.M. 36.22.702 AND/OR ANY APPLICABLE ORDERS OF THE BOARD.

Docket No. 73-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. Prior to hearing, the application was amended to request a temporary spacing unit comprised of the N½ of Section 11, T34N-R16E, Hill County, Montana, rather than all of said Section 11 as originally submitted.
- 3. The evidence indicates that granting the application as amended will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the N½ of Section 11, T34N-R16E, Hill County, Montana, is delineated a temporary spacing unit to drill a gas test well to the Eagle Formation at a location 1080' FNL and 2475' FWL of said Section 11, with a 75-foot tolerance in any direction for topographic reasons, as an exception to A.R.M. 36.22.702. and/or any applicable orders of the Board.

#### BOARD ORDER NO. 70-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

ORDER NO. 71-2007

UPON THE APPLICATION OF KLABZUBA OIL & GAS, INC. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE NE¼ OF SECTION 5, T34N-R16E, HILL COUNTY, MONTANA, TO DRILL A GAS TEST WELL TO THE JUDITH RIVER FORMATION AT A LOCATION 2175' FNL AND 715' FEL OF SAID SECTION 5, WITH A 75-FOOT TOLERANCE IN ANY DIRECTION EXCEPT EAST, AS AN EXCEPTION TO A.R.M. 36.22.702.

Docket No. 74-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Klabzuba Oil & Gas, Inc. is granted as applied for.

#### BOARD ORDER NO. 71-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 72-2007

UPON THE APPLICATION OF KLABZUBA OIL & GAS, INC. TO CREATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 2, T36N-R14E, HILL COUNTY, MONTANA, FOR PRODUCTION OF NIOBRARA FORMATION GAS THROUGH THE WELLBORE OF THE AVERITT #2-15-36-14 WELL.

Docket No. 75-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 2, T36N-R14E, Hill County, Montana, is designated a permanent spacing unit for production of Niobrara Formation gas through the wellbore of the Averitt #2-15-36-14 well.

#### BOARD ORDER NO. 72-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

ORDER NO. 73-2007

UPON THE APPLICATION OF PRIMEWEST PETROLEUM INC. TO CONVERT THE DWYER 9-2 WELL (API # 25-091-21789), LOCATED 1980' FSL AND 660' FEL OF SECTION 14, T32N-R58E, DWYER FIELD, SHERIDAN COUNTY, MONTANA, TO AN INJECTION WELL TO INJECT PRODUCED WATER FROM WELLS COMPLETED IN THE UNITIZED DWYER INTERVAL INTO THE DWYER/ CHARLES ZONE AT A DEPTH OF 7700-7900 FEET.

Docket No. 76-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of PrimeWest Petroleum, Inc. is granted as applied for, subject to stipulations on the Sundry Notice.

#### BOARD ORDER NO. 73-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

UPON THE APPLICATION OF PRIMEWEST PETROLEUM INC. TO CONVERT THE DWYER 15-2H WELL (API # 25-091-21662), LOCATED 660' FNL AND 1979' FEL OF SECTION 24, T32N-R58E, DWYER FIELD, SHERIDAN COUNTY, MONTANA, TO AN INJECTION WELL TO INJECT PRODUCED WATER FROM WELLS COMPLETED IN THE UNITIZED DWYER INTERVAL INTO THE DWYER/ CHARLES ZONE AT A DEPTH OF 7700-7900 FEET.

ORDER NO. 74-2007

Docket No. 77-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of PrimeWest Petroleum, Inc. is granted as applied for, subject to stipulations on the Sundry Notice.

#### BOARD ORDER NO. 74-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       |                              |
|                                       | Linda Nelson, Chairman       |
|                                       | W. G. H. W. Ch.              |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
|                                       |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

ORDER NO. 75-2007

UPON THE APPLICATION OF PINNACLE GAS RESOURCES, INC. FOR A CLASS II INJECTION PERMIT FOR THE 15-23SA-8-41 WELL (API # 25-003-22119) LOCATED 800' FSL AND 1610' FEL OF SECTION 23, T8S-R41E, BIG HORN COUNTY, MONTANA, TO INJECT PRODUCED COAL BED NATURAL GAS WATER FROM THE CANYON, COOK AND WALLS COALS APPROXIMATELY 750-1200 FEET BELOW THE SURFACE INTO THE ANDERSON (ALSO CALLED DIETZ 1) COAL SEAM AT A DEPTH OF 296 TO 314 FEET.

Docket No. 79-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. The Board's administrative procedure notice requirements set forth in Section 82-11-141, M.C.A. were met. Under these requirements, due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. At the hearing, UIC Coordinator George Hudak said the 30-day notice requirement set forth in A.R.M. 36.22.1409, a publication requirement for UIC permit applicants, was not met. The Board decided to hear the application and make any order issued as a result not effective until the required 30-day notice period has elapsed without protest or request to hear.
- 3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Pinnacle Gas Resources, Inc. is granted a Class II injection permit for the 15-23SA-8-41 well in Section 23, T8S-R41E, Big Horn County, Montana, to inject produced coal bed natural gas water from the Canyon, Cook and Walls coals approximately 750-1200 feet below the surface into the Anderson (also called Dietz) coal seam at a depth of 296-314 feet, subject to stipulations on the Sundry Notice.

IT IS FURTHER ORDERED that approval of the requested Class II injection permit is conditional upon passage of the required 30-day notice period without protest or request to hear.

#### BOARD ORDER NO. 75-2007

IT IS FURTHER ORDERED that the attached 3-page letter to the Montana Board of Oil and Gas Conservation from Wayne Ransbottom, of Fidelity Exploration & Production Company, dated April 9, 2007 be incorporated as part of this order with respect to the requested terms set forth in the letter. At the hearing, Pinnacle Gas Resources consented to the terms in said letter being included with this order.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA  |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman   |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member   |
|                                       | Jack King, Board Member  |
|                                       | Bret Smelser, Board Member   |
| ATTEST:                               |  |
| Terri H. Perrigo, Executive Secretary |  |
|                                       | I dissent. Proper notice was not given and the application should not have been heard. |
|                                       | Joan Stahl, Board Member   |

ORDER NO. 76-2007

UPON THE APPLICATION OF PINNACLE GAS RESOURCES, INC. FOR A CLASS II INJECTION PERMIT FOR THE 9-24SA-8-41 WELL (API # 25-003-22143) LOCATED 1914' FSL AND 725' FEL OF SECTION 24, T8S-R41E, BIG HORN COUNTY, MONTANA, TO INJECT PRODUCED COAL BED NATURAL GAS WATER FROM THE CANYON, COOK AND WALLS COALS APPROXIMATELY 750-1200 FEET BELOW THE SURFACE INTO THE ANDERSON (ALSO CALLED DIETZ 1) COAL SEAM AT A DEPTH OF 286 TO 318 FEET.

Docket No. 80-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. The Board's administrative procedure notice requirements set forth in Section 82-11-141, M.C.A. were met. Under these requirements, due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. At the hearing, UIC Coordinator George Hudak said the 30-day notice requirement set forth in A.R.M. 36.22.1409, a publication requirement for UIC permit applicants, was not met. The Board decided to hear the application and make any order issued as a result not effective until the required 30-day notice period has elapsed without protest or request to hear.
- 3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Pinnacle Gas Resources, Inc. is granted a Class II injection permit for the 9-24SA-8-41 well in Section 24, T8S-R41E, Big Horn County, Montana, to inject produced coal bed natural gas water from the Canyon, Cook and Walls coals approximately 750-1200 feet below the surface into the Anderson (also called Dietz) coal seam at a depth of 286-318 feet, subject to stipulations on the Sundry Notice.

IT IS FURTHER ORDERED that approval of the requested Class II injection permit is conditional upon passage of the required 30-day notice period without protest or request to hear.

#### BOARD ORDER NO. 76-2007

IT IS FURTHER ORDERED that the attached 3-page letter to the Montana Board of Oil and Gas Conservation from Wayne Ransbottom, of Fidelity Exploration & Production Company, dated April 9, 2007 be incorporated as part of this order with respect to the requested terms set forth in the letter. At the hearing, Pinnacle Gas Resources consented to the terms in said letter being included with this order.

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA                           |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman   |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member   |
|                                       | Jack King, Board Member  |
|                                       | Bret Smelser, Board Member   |
| ATTEST:                               |  |
| Terri H. Perrigo, Executive Secretary |  |
|                                       | I dissent. Proper notice was not given and the application should not have been heard. |
|                                       | Joan Stahl, Board Member   |

ORDER NO. 77-2007

UPON THE APPLICATION OF NOBLE ENERGY, INC. TO AMEND THE ASHFIELD FIELD DRILLING AND PRODUCTION RULES ESTABLISHED BY BOARD ORDERS 41-82, 16-89 AND 17-89 TO INCLUDE ALL ZONES AND FORMATIONS FROM THE TOP OF THE NIOBRARA FORMATION TO THE BASE OF THE BELLE FOURCHE FORMATION UNDERLYING THE FOLLOWING DESCRIBED LANDS IN PHILLIPS COUNTY, MONTANA.

#### T32N-R31E

SECTION 1: S½, S½NE¼ SECTION 2: S½SE¼ SECTION 9: SE¼SE¼

SECTION 10: S<sup>1</sup>/<sub>2</sub>, S<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>

SECTION 11: ALL SECTION 12: N½, SW¼ SECTION 13: W½

SECTIONS 14 AND 15: ALL

SECTION 16: S½SW¼, SE¼, S½NE¼, NE¼NE¼

SECTION 17: SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>

SECTION 20: E½NE¾, NE¾SE¾

SECTION 21: E½, E½W½, W½NW¼, NW¼SW¼

SECTIONS 22 AND 23: ALL

SECTION 24: W½
SECTION 25: S½, NW¼
SECTIONS 26 AND 27: ALL
SECTION 28: E½SE¼, NE¼

SECTION 34: NE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>

SECTIONS 35 AND 36: ALL

#### T 32N-R32E

SECTION 6: LOTS 2, 3, 4, 5, 6 & 7, SE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>

SECTION 7: LOT 1

SECTION 30: LOTS 3 & 4, E<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>

SECTION 31: S<sup>1</sup>/<sub>2</sub>

#### T31N-R31E

SECTION 1: LOTS 1, 2, 3, & 4, SE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, E<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>

SECTION 2: LOTS 1 & 2 SECTION 12: E½E½

#### BOARD ORDER NO. 77-2007

T31N-R32

SECTION 5: SW<sup>1</sup>/<sub>4</sub>

SECTIONS 6, 7 AND 8: ALL

SECTION 9: S½
SECTION 10: S½

SECTIONS 13, 14, 15, 16 AND 17: ALL

SECTION 18: E½E½

SECTION 19: E<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>

SECTIONS 20, 21, 22, 23, 24, 25, 26 AND 27: ALL

SECTION 28: N<sup>1</sup>/<sub>2</sub>, SE<sup>1</sup>/<sub>4</sub>

SECTION 29: N<sup>1</sup>/<sub>2</sub>N<sup>1</sup>/<sub>2</sub>, SE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>

SECTION 33: N<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>

SECTIONS 34, 35 AND 36: ALL

#### T31N-R33E

SECTION 2: SW<sup>1</sup>/<sub>4</sub>

SECTION 3: S<sup>1</sup>/<sub>2</sub>

SECTION 8: S1/2

SECTIONS 9 AND 10: ALL SECTION 11: W½, SE¼

SECTIONS 14, 15, 16, 17, 18, 19, 20, 21, 22 AND 23: ALL

SECTION 24: W<sup>1</sup>/<sub>2</sub>

SECTIONS 25 AND 26: ALL

#### T30N-R32E

SECTIONS 1 AND 2: ALL

APPLICANT FURTHER REQUESTS THE ORDER ISSUED AS A RESULT OF THIS APPLICATION BE RETROACTIVE TO THE EFFECTIVE DATE OF EACH OF THE THREE ORDERS MENTIONED ABOVE, AND THAT APPLICANT BE AUTHORIZED TO COMMINGLE ALL NATURAL GAS PRODUCTION FROM THE TOP OF THE NIOBRARA FORMATION TO THE BASE OF THE BELLE FOURCHE FORMATION IN A SINGLE WELLBORE AS TO ALL EXISTING AND/OR FUTURE WELLS LOCATED WITHIN AND UPON THE ASHFIELD FIELD.

Docket No. 83-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Jack King recused himself and took no further part in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. Two protest letters were read into the record by the Chairman. Shirley Dunbar of Whitewater, Montana is concerned about her well water and feels any water taken from the aquifer should be re-injected. Michael Hellie, also of Whitewater, Montana, is concerned about the affect this application will have on underground water supplies.
- 3. Concerns identified in the letters were addressed by applicant's testimony that water produced along with the gas was not potable water and that there was no known connection between the zones of gas production and shallower freshwater aquifers.
- 4. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ashfield Field rules established by Board Orders 41-82, 16-89 and 17-89 are amended to include all zones from the top of the Niobrara to the base of the Belle Fourche Formation underlying the lands described in the caption.

IT IS FURTHER ORDERED that this order is retroactive to the effective dates of the three orders mentioned above (41-82, 16-89 and 17-89).

IT IS FURTHER ORDERED that applicant is authorized to commingle all natural gas production from the top of the Niobrara Formation to the base of the Belle Fourche Formation in a single wellbore as to all existing and/or future wells located within and upon the Ashfield Field.

BOARD OF OIL AND GAS CONSERVATION

Joan Stahl, Board Member

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

# OF THE STATE OF MONTANA Linda Nelson, Chairman Wayne Smith, Vice-Chairman Don Bradshaw, Board Member Ronald S. Efta, Board Member Bret Smelser, Board Member Terri H. Perrigo, Executive Secretary

UPON THE APPLICATION OF

NOBLE ENERGY, INC. TO AMEND THE EAST

LORING AND WEST LORING FIELD RULES

ESTABLISHED BY BOARD ORDERS 60-82,

39-97, 280-2004, 7-87, 27-98 AND 13-2007 TO

INCLUDE ALL ZONES OR FORMATIONS FROM

THE TOP OF THE NIOBRARA FORMATION TO

THE BASE OF THE BELLE FOURCHE

FORMATION UNDERLYING THE FOLLOWING

DESCRIBED LANDS IN PHILLIPS COUNTY,

MONTANA:

EAST LORING FIELD

T37N-R30E

SECTIONS 1 AND 12

T37N-R31E

**SECTIONS 1 THROUGH 36** 

T36N-R31E

SECTIONS 1 THROUGH 3

**SECTIONS 10 THROUGH 13** 

SECTION 24

T36N-R32E

SECTIONS 4 THROUGH 9

SECTIONS 16 THROUGH 21

**SECTIONS 28 THROUGH 33** 

T35N-R32E

**SECTIONS 4 THROUGH 10** 

**SECTIONS 16 THROUGH 21** 

**SECTIONS 28, 29 AND 33** 

WEST LORING FIELD

T37N-R29E

**SECTIONS 25 AND 36** 

T36N-R30E

SECTIONS 6, 7, 18, 21, 29 AND 35

T35N-R31E

SECTIONS 7 AND 20

ORDER ISSUED AS A RESULT OF THIS
APPLICATION BE RETROACTIVE TO THE DATE
OF EACH OF THE ABOVE-MENTIONED ORDERS,
AND THAT APPLICANT BE ALLOWED TO
COMMINGLE ALL NATURAL GAS PRODUCED
FROM THE TOP OF THE NIOBRARA FORMATION
TO THE BASE OF THE BELLE FOURCHE
FORMATION IN A SINGLE WELLBORE AS TO ALL
EXISTING AND FUTURE WELLS LOCATED
WITHIN THE EAST LORING FIELD AND WEST
LORING FIELD. APPLICANT FURTHER REQUESTS THAT ALL OF
SECTIONS 8 AND 17, T36N-R30E, PHILLIPS COUNTY.

MONTANA, BE ADDED TO THE WEST LORING FIELD.

APPLICANT FURTHER REQUESTS THAT THE

Docket No. 84-2007

ORDER NO. 78-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Jack King has recused himself and took no further part in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. A letter of protest from Shirley Dunbar of Whitewater, Montana was read into the record by the Chairman. Ms. Dunbar is concerned about her well water and feels any water taken from the aquifer should be re-injected.
- 3. Concerns identified in the letter were addressed by applicant's testimony that water produced along with the gas was not potable water and that there was no known connection between the zones of gas production and shallower freshwater aquifers.
- 4. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that East Loring and West Loring Field rules established by Board Orders 60-82, 39-97, 280-2004, 7-87, 27-98 and 13-2007 are amended to include all zones from the top of the Niobrara to the base of the Belle Fourche Formation underlying the lands described in the caption.

IT IS FURTHER ORDERED that this order is retroactive to the effective dates of each of the orders specified above: 60-82, 39-97, 280-2004, 7-87, 27-98 and 13-2007.

IT IS FURTHER ORDERED that applicant is authorized to commingle all natural gas production from the top of the Niobrara Formation to the base of the Belle Fourche Formation in a single wellbore as to all existing and/or future wells located within and upon the East and West Loring Fields.

IT IS FURTHER ORDERED that Sections 8 and 17, T36N-R30E, Phillips County, Montana, are added to the West Loring Field.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

#### BOARD ORDER NO. 78-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

ORDER NO. 79-2007

UPON THE APPLICATION OF NOBLE ENERGY, INC. TO AMEND THE LORING FIELD RULES ESTABLISHED BY BOARD ORDERS 79-82, 12-89, 13-89 AND 26-98 TO INCLUDE ALL ZONES OR FORMATIONS FROM THE TOP OF THE NIOBRARA FORMATION TO THE BASE OF THE BELLE FOURCHE FORMATION UNDERLYING THE FOLLOWING DESCRIBED LANDS IN PHILLIPS COUNTY, MONTANA:

T35N-R31E SECTIONS 1 THROUGH 6 **SECTIONS 8 THROUGH 13** T36N-R30E SECTIONS 1 THROUGH 5 **SECTIONS 9 THROUGH 16 SECTIONS 22 THROUGH 27** T36N-R31E **SECTIONS 4 THROUGH 9 SECTIONS 14 THROUGH 23 SECTIONS 25 THROUGH 36** T37N-R29E SECTION 12 T37N-R30E **SECTIONS 2 THROUGH 11 SECTIONS 13 THROUGH 36** 

APPLICANT FURTHER REQUESTS THAT THE ORDER ISSUED AS A RESULT OF THIS APPLICATION BE RETROACTIVE TO THE DATE OF EACH OF THE ABOVE-MENTIONED ORDERS, AND THAT APPLICANT BE ALLOWED TO COMMINGLE ALL NATURAL GAS PRODUCTION FROM THE TOP OF THE NIOBRARA FORMATION TO THE BASE OF THE BELLE FOURCHE FORMATION IN A SINGLE WELLBORE AS TO ALL EXISTING AND/OR FUTURE WELLS LOCATED WITHIN THE LORING FIELD.

Docket No. 85-2007 & 6-2007 FED

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Jack King has recused himself and took no further part in the proceedings on this matter. . At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. A protest letter from Shirley Dunbar of Whitewater, Montana, was read into the record by the Chairman. Ms. Dunbar is concerned about her well water and feels any water taken from the aquifer should be re-injected.
- 3. Concerns identified in the letter were addressed by applicant's testimony that water produced along with the gas was not potable water and that there was no known connection between the zones of gas production and shallower freshwater aquifers.
- 4. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Loring Field rules established by Board Orders 79-82, 12-89, 13-89 and 26-98 are amended to include all zones from the top of the Niobrara to the base of the Belle Fourche Formation underlying the lands described in the caption.

IT IS FURTHER ORDERED that this order is retroactive to the effective dates of each of the above-mentioned orders: 79-82, 12-89, 13-89 and 26-98.

IT IS FURTHER ORDERED that applicant is authorized to commingle all natural gas production from the top of the Niobrara Formation to the base of the Belle Fourche Formation in a single wellbore as to all existing and/or future wells located within and upon the Loring Field.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

# Linda Nelson, Chairman Wayne Smith, Vice-Chairman Don Bradshaw, Board Member

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

|                                       | Don Bradshaw, Board Member   |
|---------------------------------------|------------------------------|
| ATTEST:                               | Ronald S. Efta, Board Member |
| ATTEST.                               | Bret Smelser, Board Member   |
| Terri H. Perrigo, Executive Secretary | Joan Stahl, Board Member     |

ORDER NO. 80-2007

UPON THE APPLICATION OF NOBLE ENERGY, INC. TO AMEND THE EAST WHITEWATER FIELD RULES ESTABLISHED BY BOARD ORDERS 100-83, 65-89 AND 33-98 TO INCLUDE ALL ZONES OR FORMATIONS FROM THE TOP OF THE NIOBRARA FORMATION TO THE BASE OF THE BELLE FOURCHE FORMATION UNDERLYING THE FOLLOWING DESCRIBED LANDS IN PHILLIPS COUNTY, MONTANA:

#### T33N-R33E

SECTIONS 1 THROUGH 5: ALL SECTIONS 10 THROUGH 15: ALL SECTIONS 23 THROUGH 26: ALL SECTIONS 35 AND 36: ALL T33N-R34E SECTIONS 18, 19 AND 20: ALL SECTIONS 29, 30 AND 31: ALL

APPLICANT FURTHER REQUESTS THAT THE ORDER ISSUED AS A RESULT OF THIS APPLICATION BE RETROACTIVE TO THE DATE OF EACH OF THE ABOVE-MENTIONED ORDERS, AND THAT APPLICANT BE ALLOWED TO COMMINGLE DOWN HOLE ALL NATURAL GAS PRODUCTION FROM THE TOP OF THE NIOBRARA FORMATION TO THE BASE OF THE BELLE FOURCHE FORMATION IN A SINGLE WELLBORE AS TO ALL EXISTING AND/OR FUTURE WELLS LOCATED WITHIN THE EAST WHITEWATER FIELD.

Docket No. 86-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Member Jack King recused himself and took no further part in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.

#### BOARD ORDER NO. 80-2007

- 2. A protest letter from Shirley Dunbar of Whitewater, Montana, was read into the record by the Chairman. Ms. Dunbar is concerned about her well water and feels any water taken from the aquifer should be re-injected.
- 3. Concerns identified in the letter were addressed by applicant's testimony that water produced along with the gas was not potable water and that there was no known connection between the zones of gas production and shallower freshwater aquifers.
- 4. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that East Whitewater Field rules established by Board Orders 100-83, 65-89 and 33-98 are amended to include all zones from the top of the Niobrara to the base of the Belle Fourche Formation underlying the lands described in the caption.

IT IS FURTHER ORDERED that this order is retroactive to the effective dates of each of the above-mentioned orders: 100-83, 65-89 and 33-98.

IT IS FURTHER ORDERED that applicant is authorized to commingle all natural gas production from the top of the Niobrara Formation to the base of the Belle Fourche Formation in a single wellbore as to all existing and/or future wells located within and upon the East Whitewater Field.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

BOARD OF OIL AND GAS CONSERVATION

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

# OF THE STATE OF MONTANA Linda Nelson, Chairman Wayne Smith, Vice-Chairman Don Bradshaw, Board Member Ronald S. Efta, Board Member Bret Smelser, Board Member Terri H. Perrigo, Executive Secretary Joan Stahl, Board Member

ORDER NO. 81-2007

UPON THE APPLICATION OF
MONTANA LAND & EXPLORATION, INC. TO
CREATE A TEMPORARY SPACING UNIT
COMPRISED OF LOT 4 (NW¼NW¼) OF
SECTION 3 AND LOT 1 (NE¼NE¼) OF
SECTION 4, T32N-R21E AND THE SE¼SE¼ OF
SECTION 32 AND THE SW¼SW¼ OF SECTION
33, T33N-R21E, BLAINE COUNTY, MONTANA,
TO DRILL AN EAGLE FORMATION GAS TEST
WELL ANYWHERE WITHIN SAID TEMPORARY
SPACING UNIT BUT NOT CLOSER THAN 660
FEET TO THE EXTERIOR BOUNDARIES THEREOF.

Docket No. 87-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. At the hearing, staff explained that the existing well in the NW¼NW¼ of Section 3 will be plugged and the requested well will be drilled as an exception to statewide spacing under Order 330-2003.
- 3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Montana Land & Exploration, Inc. is granted as applied for.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

#### BOARD ORDER NO. 81-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF MONTANA LAND & EXPLORATION, INC. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF LOTS 3 AND 4, E½SW¼ (SW¼) OF SECTION 30 AND LOTS 1 AND 2, E½NW¼ (NW¼) OF SECTION 31, T34N-R22E, BLAINE COUNTY, MONTANA, TO DRILL AN EAGLE FORMATION GAS TEST WELL ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER NO. 82-2007

Docket No. 88-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Montana Land & Exploration, Inc. is granted as applied for.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

## BOARD ORDER NO. 82-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                      | OF THE STATE OF MONTANA      |
|--------------------------------------|------------------------------|
|                                      | Linda Nelson, Chairman       |
|                                      | Wayne Smith, Vice-Chairman   |
|                                      | Don Bradshaw, Board Member   |
|                                      | Ronald S. Efta, Board Member |
|                                      | Jack King, Board Member      |
|                                      | Bret Smelser, Board Member   |
|                                      | Joan Stahl, Board Member     |
| TEST:                                |                              |
|                                      |                              |
| erri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF MONTANA LAND & EXPLORATION, INC. TO CREATE A PERMANENT SPACING UNIT COMPRISED OF THE SE'4 OF SECTION 10 AND THE SW'4 OF SECTION 11, T34N-R20E, BLAINE COUNTY, MONTANA, FOR APPLICANT'S ML&E NW CHERRY PATCH 13-11 EAGLE FORMATION NATURAL GAS WELL. ORDER NO. 83-2007

Docket No. 89-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. Mr. Henry Gordon, of Gordon Cattle Company and K&G Mineral, LLC, appeared in person to protest the application. He says he did not receive notice of the temporary spacing unit. He is dissatisfied with the way Montana Land & Exploration, Inc. (ML&E) built a road through wetlands on his property after he specifically requested they not, and he is frustrated with the lease offer he has gotten from ML&E. Mr. Don Lee, attorney for ML&E, said he has an affidavit of mailing stating Mr. Gordon was notified of the temporary spacing application. Mr. Gordon will meet with the ML&E attorney and its land man after the hearing to further discuss the lease offer.
- 3. At the hearing, Mr. Don Lee said the well involved in this application is formally designated the SE Battle 13-11 rather than the NW Cherry Patch 13-11 as it was referred to in the application.
- 4. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the SE¼ of Section 10 and the SW¼ of Section 11, T34N-R20E, Blaine County, Montana, is designated a permanent spacing unit for applicant's ML&E SE Battle 13-11 Eagle Formation natural gas well.

## BOARD ORDER NO. 83-2007

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA   |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman   |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member   |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member   |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |
|                                       | I dissent. The proposed permanent spacing unit does not confirm to Montana Land & Exploration, Inc.'s geology, which may create a drainage issue if another well is not drilled. |
|                                       | Jack King, Board Member  |

UPON THE APPLICATION OF MONTANA LAND & EXPLORATION, INC. TO CREATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 9, T33N-R21E, BLAINE COUNTY, MONTANA, FOR APPLICANT'S ML&E SW CHERRY PATCH 11-9 EAGLE FORMATION NATURAL GAS WELL.

ORDER NO. 84-2007

Docket No. 90-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 9, T33N-R21E, Blaine County, Montana, is designated a permanent spacing unit for applicant's ML&E SW Cherry Patch 11-9 Eagle Formation natural gas well.

## BOARD ORDER NO. 84-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF MONTANA LAND & EXPLORATION, INC. TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF SECTION 9, T33N-R21E, BLAINE COUNTY, MONTANA FOR PRODUCTION OF EAGLE FORMATION NATURAL GAS FROM THE ML&E SW CHERRY PATCH 11-9 WELL, AND TO AUTHORIZE NON-JOINDER PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A.

ORDER NO. 85-2007

Docket No. 91-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. At the hearing, attorney Don Lee amended the application to eliminate the request for non-joinder penalties.
- 3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of Section 9, T33N-R21E, Blaine County, Montana, are pooled on the basis of surface acreage for production of Eagle Formation natural gas from the ML&E SW Cherry Patch 11-9 well.

## BOARD ORDER NO. 85-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

UPON THE APPLICATION OF CONTINENTAL RESOURCES, INC. TO CREATE A PERMANENT SPACING UNIT FOR THE BAKKEN FORMATION COMPRISED OF ALL OF SECTIONS 5 AND 8, T25N-R55E, RICHLAND COUNTY, MONTANA, AND TO DESIGNATE APPLICANT'S TAMMY #1-8H WELL AS THE AUTHORIZED WELL FOR SAID SPACING UNIT. ORDER NO. 86-2007

Docket No. 95-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 5 and 8, T25N-R55E, Richland County, Montana, is designated a permanent spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Tammy #1-8 well is the authorized well for said spacing unit.

## BOARD ORDER NO. 86-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
| ATTENCE                               | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF CONTINENTAL RESOURCES, INC. TO CREATE A PERMANENT SPACING UNIT FOR THE BAKKEN FORMATION COMPRISED OF ALL OF SECTION 6, T23N-R54E, RICHLAND COUNTY, MONTANA, AND TO DESIGNATE APPLICANT'S AZALEA #1-6H WELL AS THE AUTHORIZED WELL FOR SAID SPACING UNIT.

ORDER NO. 87-2007

Docket No. 96-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

## <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 6, T23N-R54E, Richland County, Montana, is designated a permanent spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Azalea #1-6H well is the authorized well for said spacing unit.

## BOARD ORDER NO. 87-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

UPON THE APPLICATION OF CONTINENTAL RESOURCES, INC. TO CREATE A PERMANENT SPACING UNIT FOR THE BAKKEN FORMATION COMPRISED OF ALL OF SECTION 8, T23N-R54E, RICHLAND COUNTY, MONTANA, AND TO DESIGNATE APPLICANT'S BETTSYE #1-8H WELL AS THE AUTHORIZED WELL FOR SAID SPACING UNIT.

ORDER NO. 88-2007

Docket No. 97-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

## <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Section 8, T23N-R54E, Richland County, Montana, is designated a permanent spacing unit for the Bakken Formation.

IT IS FURTHER ORDERED that applicant's Bettsye #1-8 well is the authorized well for said spacing unit.

## BOARD ORDER NO. 88-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
| ATTEST:                               | Joan Stahl, Board Member     |
| ATTEST.                               |                              |
| Tami II Damina Farantin Santa         |                              |
| Terri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF CONTINENTAL RESOURCES, INC. TO DRILL AN ADDITIONAL BAKKEN FORMATION DUAL LATERAL HORIZONTAL WELL IN THE SPACING UNIT COMPRISED OF ALL OF SECTIONS 5 AND 8, T25N-R55E, RICHLAND COUNTY, MONTANA, SAID WELL TO BE LOCATED ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE EXTERIOR BOUNDARIES THEREOF.

ORDER NO. 89-2007

Docket No. 98-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

## BOARD ORDER NO. 89-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 90-2007

UPON THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR A CLASS II INJECTION PERMIT TO CONVERT THE FEDERAL BR 11-26H WELL (API # 25-025-21697) LOCATED 150' FNL AND 550' FEL OF SECTION 26, T6N-R61E, FALLON COUNTY, MONTANA, TO A SALTWATER DISPOSAL WELL TO INJECT WATER INTO THE DAKOTA OR MISSION CANYON FORMATION.

Docket No. 99-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. A protest letter from Donald Sonsalla, an offsetting surface owner, was read into the record by the Chairman. Mr. Sonsalla feels applicant should pay him a small injection well fee if the application is approved. He also feels it is a poor choice to have disposal operations at this well and well site. The Board has no jurisdiction over surface owner compensation so the Board can take no action on Mr. Sonsalla's request for an injection fee. Mr. Hudak, the Board's UIC Coordinator, said the well and location meet all requirements for disposal.
- 3. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

## <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. to convert the Federal BR 11-26H well (API # 25-025-21697) located 150' FNL and 550' FEL of Section 26, T6N-R61E, Fallon County, Montana, to a Class II saltwater disposal well to inject water into the Dakota or Mission Canyon Formation is authorized, subject to the stipulations on the Sundry Notice.

## BOARD ORDER NO. 90-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                      | OF THE STATE OF MONTANA      |
|--------------------------------------|------------------------------|
|                                      | Linda Nelson, Chairman       |
|                                      | Wayne Smith, Vice-Chairman   |
|                                      | Don Bradshaw, Board Member   |
|                                      | Ronald S. Efta, Board Member |
|                                      | Jack King, Board Member      |
|                                      | Bret Smelser, Board Member   |
|                                      | Joan Stahl, Board Member     |
| TEST:                                |                              |
|                                      |                              |
| erri H. Perrigo, Executive Secretary |                              |

UPON THE APPLICATION OF NANCE PETROLEUM CORPORATION TO CREATE A PERMANENT SPACING UNIT FOR THE MISSION CANYON FORMATION COMPRISED OF THE S½ OF SECTION 14, T23N-R58E, RICHLAND COUNTY, MONTANA, AND TO DESIGNATE APPLICANT'S SUNWALL 9-14HR WELL AS THE AUTHORIZED WELL FOR SAID SPACING UNIT.

ORDER NO. 91-2007

Docket No. 100-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the S½ of Section 14, T23N-R58E, Richland County, Montana, is designated a permanent spacing unit for the Mission Canyon Formation.

IT IS FURTHER ORDERED that applicant's Sunwall 9-14HR well is the authorized well for said spacing unit.

## BOARD ORDER NO. 91-2007

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 12th day of April, 2007.

BOARD OF OIL AND GAS CONSERVATION

|                                      | OF THE STATE OF MONTANA      |
|--------------------------------------|------------------------------|
|                                      | Linda Nelson, Chairman       |
|                                      | Wayne Smith, Vice-Chairman   |
|                                      | Don Bradshaw, Board Member   |
|                                      | Ronald S. Efta, Board Member |
|                                      | Jack King, Board Member      |
|                                      | Bret Smelser, Board Member   |
|                                      | Joan Stahl, Board Member     |
| TEST:                                |                              |
|                                      |                              |
| erri H. Perrigo, Executive Secretary |                              |

ORDER NO. 92-2007

UPON THE APPLICATION OF NANCE PETROLEUM CORPORATION TO POOL ALL INTERESTS IN THE PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 19, T23N-R58E, RICHLAND COUNTY, MONTANA, FOR BAKKEN FORMATION PRODUCTION FROM THE LARSON 1-19H WELL ON THE BASIS OF SURFACE ACREAGE AND TO AUTHORIZE RECOVERY OF NON-JOINDER PENALTIES IN ACCORDANCE WITH SECTION 82-11-202(2), M.C.A.

Docket No. 102-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12<sup>th</sup> day of April, 2007 in the conference room of the Billings Petroleum Club in the Crowne Plaza Billings in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all interests in the permanent spacing unit comprised of all of Section 19, T23N-R58E, Richland County, Montana, are pooled on the basis of surface acreage for Bakken Formation production from the Larson 1-19H well.

IT IS FURTHER ORDERED that recovery of non-joinder penalties in accordance with Section 82-11-202(2), M.C.A. is hereby authorized.

## BOARD ORDER NO. 92-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO DRILL AN ADDITIONAL EAGLE SAND FORMATION GAS WELL (THE STATE #16-09-27-19) AT A LOCATION 2365' FSL AND 845' FEL OF SECTION 16, T27N-R19E, BLAINE COUNTY, MONTANA, WITH A 75-FOOT TOPOGRAPHIC IN ANY DIRECTION AS AN EXCEPTION TO BOARD ORDER 45-76. (SAWTOOTH MOUNTAIN FIELD)

ORDER NO. 93-2007

Docket No. 103-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Devon Energy Production Company, L.P. is granted as applied for.

## BOARD ORDER NO. 93-2007

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

ORDER NO. 94-2007

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO DRILL AN ADDITIONAL EAGLE SAND FORMATION GAS WELL (THE NYSTROM #35-01-30-15) AT A LOCATION 660' FNL AND 660' FEL OF SECTION 35, T30N-R15E, HILL COUNTY, MONTANA, WITH A 75-FOOT TOPOGRAPHIC IN ANY DIRECTION AS AN EXCEPTION TO BOARD ORDER 30-89. (TIGER RIDGE FIELD)

Docket No. 104-2007

## Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The NE¼ of Section 35, T30N-R15E, Hill County, Montana, was designated a permanent spacing unit within the Tiger Ridget Field by Board Order 30-89.
- 3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Devon Energy Production Company, L.P. is granted as applied for.

## BOARD ORDER NO. 94-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 95-2007

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO DRILL AN ADDITIONAL EAGLE SAND FORMATION GAS WELL (THE STATE #36-02-30-15) AT A LOCATION 1285' FNL AND 2330' FEL OF SECTION 36, T30N-R15E, HILL COUNTY, MONTANA, WITH A 75-FOOT TOPOGRAPHIC IN ANY DIRECTION AS AN EXCEPTION TO A.R.M. 36.22.702 AND BOARD ORDERS 22-2003, 23-2003 AND 103-2004.

Docket No. 105-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

## <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Devon Energy Production Company, L.P. is granted as applied for.

## BOARD ORDER NO. 95-2007

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO VACATE BOARD ORDER 166-2006 AND TO PRODUCE ITS PAULSEN DIR #15-09-31-18 EAGLE SAND FORMATION GAS WELL AT A BOTTOMHOLE LOCATION 1679' FSL AND 581' FEL OF SECTION 15, T31N-R18E, BLAINE COUNTY, MONTANA, AS AN EXCEPTION TO BOARD ORDER 11-72. (TIGER RIDGE UNIT)

ORDER NO. 96-2007

Docket No. 106-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. Applicant is requesting that the temporary spacing unit under which the Paulsen DIR 15-09-31-18 well was drilled be vacated and that the well be produced as a Tiger Ridge Unit well.
- 3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Devon Energy Production Company, L.P. is granted as applied for.

## BOARD ORDER NO. 96-2007

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

ORDER NO. 97-2007

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE SE¼ OF SECTION 34 AND THE SW¼ OF SECTION 35, T27N-R20E, BLAINE COUNTY, MONTANA, TO DRILL A GAS WELL (THE US #35-13-27-20) AT A LOCATION 1340' FSL AND 165' FWL OF SAID SECTION 35, WITH A 75-FOOT TOLERANCE AS AN EXCEPTION TO BOARD ORDER 45-76. (SAWTOOTH MOUNTAIN FIELD)

Docket No. 108-2007

## Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Devon Energy Production Company, L.P. is granted as applied for.

IT IS FURTHER ORDERED that applicant shall apply for permanent spacing within ninety (90) days of completion of a successful well.

## BOARD ORDER NO. 97-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A TEMPORARY SPACING COMPRISED OF THE SE'4 OF SECTION 34 AND THE SW'4SW'4 OF SECTION 35, T27N-R20E AND LOT 4 OF SECTION 2 AND LOTS 1, 2, 3, SE'4NW'4, S'2NE'4 OF SECTION 3, T26N-R20E, BLAINE COUNTY, MONTANA, TO DRILL A GAS WELL (THE US #34-16-27-20) AT A LOCATION 250' FSL AND 420 FEL OF SAID SECTION 34 WITH A 75-FOOT TOLERANCE AS AN EXCEPTION TO BOARD ORDER 45-76. (SAWTOOTH MOUNTAIN FIELD)

ORDER NO. 98-2007

Docket No. 109-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

## Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Devon Energy Production Company, L.P. is granted as applied for.

IT IS FURTHER ORDERED that applicant apply for permanent spacing within ninety (90) days of completion of a successful well.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

## BOARD ORDER NO. 98-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE SE<sup>1</sup>/<sub>4</sub> OF SECTION 25 AND THE NE<sup>1</sup>/<sub>4</sub> OF SECTION 36, T27N-R19E AND LOTS 3 AND 4 OF SECTION 30, T27N-R20E, BLAINE COUNTY, MONTANA, TO DRILL A GAS WELL (THE STATE #25-16-27-19) AT A LOCATION 480' FSL AND 405' FEL OF SAID SECTION 25 WITH A 75-FOOT TOLERANCE AS AN EXCEPTION TO BOARD ORDER 45-76 AND

AR.M. 36.22.702. (SAWTOOTH MOUNTAIN FIELD)

ORDER NO. 99-2007

Docket No. 110-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Devon Energy Production Company, L.P. is granted as applied for.

IT IS FURTHER ORDERED that applicant apply for permanent spacing within ninety (90) days of completion of a successful well.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

## BOARD ORDER NO. 99-2007

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE E½ OF SECTION 21 AND THE W½ OF SECTION 22, T27N-R19E, BLAINE COUNTY, MONTANA, TO DRILL A GAS WELL (THE STATE #21-09-27-19) AT A LOCATION 2250' FSL AND 350' FEL OF SAID SECTION 21 WITH A 75-FOOT TOLERANCE AS AN EXCEPTION TO BOARD ORDER 45-76 AND/OR A.R.M. 36.22.702. (SAWTOOTH MOUNTAIN FIELD)

ORDER NO. 100-2007

Docket No. 111-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Devon Energy Production Company, L.P. is granted as applied for.

IT IS FURTHER ORDERED that applicant apply for permanent spacing within ninety (90) days of completion of a successful well.

# BOARD ORDER NO. 100-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 101-2007

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE S½ OF SECTION 16 AND THE N½ OF SECTION 21, T27N-R17E, CHOUTEAU COUNTY, MONTANA, TO DRILL A GAS WELL (THE HENDERSON DIR #21-02A-27-17) WITH A BOTTOMHOLE LOCATION 450' FNL AND 2440' FEL OF SAID SECTION 21 WITH A 75-FOOT TOLERANCE AS AN EXCEPTION TO BOARD ORDER 26-74 AND/OR A.R.M. 36.22.702. (BULLWACKER FIELD)

Docket No. 112-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Devon Energy Production Company, L.P. is granted as applied for.

IT IS FURTHER ORDERED that applicant apply for permanent spacing within ninety (90) days of completion of a successful well.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

# BOARD ORDER NO. 101-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A PERMANENT SPACING UNIT COMPRISED OF THE W½ OF SECTION 13 AND THE E½ OF SECTION 14, T30N-R15E, HILL COUNTY, MONTANA, FOR PRODUCTION OF EAGLE SAND FORMATION GAS THROUGH THE WELLBORE OF THE BOYCE #13-12-30-15 WELL.

ORDER NO. 102-2007

Docket No. 113-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana the W½ of Section 13 and the E½ of Section 14, T30N-R15E, Hill County, Montana, is designated a permanent spacing unit for production of Eagle Sand Formation gas through the wellbore of the Boyce #13-12-30-15 well.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

# BOARD ORDER NO. 102-2007

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A PERMANENT SPACING UNIT COMPRISED OF THE NE'4 OF SECTION 32 AND THE NW'4 OF SECTION 33, T25N-R18E, BLAINE COUNTY, MONTANA, FOR PRODUCTION OF EAGLE SAND FORMATION GAS THROUGH THE WELLBORE OF THE US DIR #32-01-25-18 WELL.

ORDER NO. 103-2007

Docket No. 114-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the NE<sup>1</sup>/<sub>4</sub> of Section 32 and the NW<sup>1</sup>/<sub>4</sub> of Section 33, T25N-R18E, Blaine County, Montana, are designated a permanent spacing unit for production of Eagle Sand Formation Gas through the wellbore of the US DIR #32-01-25-18 well.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

# BOARD ORDER NO. 103-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A PERMANENT SPACING UNIT COMPRISED OF THE NW¼ OF SECTION 16, T25N-R18E, BLAINE COUNTY, MONTANA, FOR PRODUCTION OF EAGLE SAND FORMATION GAS THROUGH THE WELLBORE OF THE STEVENS #16-05-25-18 WELL.

ORDER NO. 104-2007

Docket No. 115-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the NW¼ of Section 16, T25N-R18E, Blaine County, Montana, is designated a permanent spacing unit for production of Eagle Sand Formation gas through the wellbore of the Stevens #16-05-25-18 well.

# BOARD ORDER NO. 104-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A PERMANENT SPACING UNIT COMPRISED OF THE S½ NE¼ AND N½ SE¼ OF SECTION 32, T32N-R14E, HILL COUNTY, MONTANA, FOR PRODUCTION OF EAGLE SAND FORMATION GAS THROUGH THE WELLBORE OF THE KAFKA #32-08-32-14 WELL.

ORDER NO. 105-2007

Docket No. 116-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the S½NE¼ and N½SE¼ of Section 32, T32N-R14E, Hill County, Montana, is designated a permanent spacing unit for production of Eagle Sand Formation gas through the wellbore of the Kafka #32-08-32-14 well.

# BOARD ORDER NO. 105-2007

|                                       | OF THE STATE OF MONTANA      |
|---------------------------------------|------------------------------|
|                                       | Linda Nelson, Chairman       |
|                                       | Wayne Smith, Vice-Chairman   |
|                                       | Don Bradshaw, Board Member   |
|                                       | Ronald S. Efta, Board Member |
|                                       | Jack King, Board Member      |
|                                       | Bret Smelser, Board Member   |
|                                       | Joan Stahl, Board Member     |
| ATTEST:                               |                              |
|                                       |                              |
| Terri H. Perrigo, Executive Secretary |                              |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A PERMANENT SPACING UNIT COMPRISED OF THE W½ OF SECTION 25 AND THE E½ OF SECTION 26, T31N-R19E, BLAINE COUNTY, MONTANA, FOR PRODUCTION OF EAGLE SAND FORMATION GAS THROUGH THE WELLBORE OF THE S-B RANCH #25-04-31-19 WELL.

ORDER NO. 106-2007

Docket No. 117-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

#### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. At the hearing, applicant's attorney said the original application had been amended to request a permanent spacing unit comprised of the NW $\frac{1}{4}$  of Section 25 and the NE $\frac{1}{4}$  of Section 26 rather than the W $\frac{1}{2}$  and E  $\frac{1}{2}$  respectively.
- 3. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the NW¼ of Section 25 and the NE¼ of Section 26, T31N-R19E, Blaine County, Montana, is designated a permanent spacing unit for production of Eagle Sand Formation gas through the wellbore of the S-B Ranch #25-04-31-19 well.

# BOARD ORDER NO. 106-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

ORDER NO. 107-2007

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A PERMANENT SPACING UNIT COMPRISED OF THE E½SE¼ OF SECTION 34 AND THE W½SW¼ OF SECTION 35, T32N-R19E, BLAINE COUNTY, MONTANA, FOR PRODUCTION OF EAGLE SAND FORMATION GAS THROUGH THE WELLBORE OF THE BRAUN #35-13-32-19 WELL.

Docket No. 118-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

#### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the E½SE¼ of Section 34 and the W½SW¼ of Section 35, T32N-R19E, Blaine County, Montana, is designated a permanent spacing unit for production of Eagle Sand Formation gas through the wellbore of the Braun #35-13-32-19 well.

## BOARD ORDER NO. 107-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

IN THE MATTER OF THE APPLICATION OF BALDWIN EXPLORATION TO VACATE BOARD ORDER 23-75, WHICH DELINEATED THE NORTH CLARK'S FORK FIELD, AND TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE W½NW¼ AND THE NW¼SW¼ OF SECTION 15, AND THE E½NE¼ AND NE¼SE¼ OF SECTION 16, T9S-R22E, CARBON COUNTY, MONTANA, TO DRILL A LAKOTA FORMATION TEST WELL ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 108-2007

Docket No. 119-2007

### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Baldwin Exploration is granted as applied for.

IT IS FURTHER ORDERED that applicant apply for permanent spacing within ninety (90) days of completion of a successful well.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

# BOARD ORDER NO. 108-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

IN THE MATTER OF THE APPLICATION OF AMERICANA EXPLORATION LLC TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF THE W½ OF SECTION 13 AND THE E½ OF SECTION 14, T35N-R1E, TOOLE COUNTY, MONTANA, FOR ALL FORMATIONS FROM THE SURFACE TO THE BASE OF THE DEVONIAN DUPEROW FORMATION FOR PURPOSES OF DRILLING A DEVONIAN DUPEROW FORMATION GAS WELL ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER

THAN 990 FEET TO THE BOUNDARIES THEREOF

AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 109-2007

Dockets No. 120-2007, 123-2007 and 128-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. Vice-Chair Wayne Smith recused himself and took no further part in the proceedings on this matter. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

## Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. Attorney Dick Beatty was present on behalf of his client, MCR, LLC, and stated he was waiting to hear attorney John Lee's protest and applicant's response before deciding whether to lodge a protest against this application on behalf of MCR, LLC.
- 3. Attorney John Lee protested Docket 120-2007 and the other two Americana Exploration LLC applications scheduled for hearing today (123-2007 and 128-2007) on behalf of his client, Wave USA. Mr. Lee protested having a hearing on the applications at this time due to the unwillingness of applicant to provide data to his client prior to hearing, unless the resultant orders are limited to the Devonian/Duperow Formation. Mr. Lee eventually withdrew his clients' protest to Docket No. 120-2007 in order to hear the testimony presented by applicant.
- 4. The evidence indicates that acting on the applications in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Dockets 120-2007, 123-2007 and 128-2007 are continued to the Board's June 14<sup>th</sup>, 2007 public hearing.

## BOARD ORDER NO. 109-2007

IT IS FURTHER ORDERED that applicant provide better data and exhibits at the June 14, 2007 public hearing, and that applicant and both opposing parties try to work out their differences by the hearing date.

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
| A TYPE CIT                            | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |

IN THE MATTER OF THE APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO CREATE A PERMANENT SPACING UNIT COMPRISED OF THE NW¼ OF SECTION 5 AND THE NE¼ OF SECTION 6, T27N-R19E, BLAINE COUNTY, MONTANA, FOR PRODUCTION OF GAS FROM THE EAGLE AND VIRGELLE FORMATIONS THROUGH THE WELLBORE OF THE DUNBAR #05-04-27-19 WELL.

ORDER NO. 110-2007

Docket No. 38-2007

#### Report of the Board

The above entitled cause came on regularly for hearing on the 12th day of April, 2007 in the conference room of the Billings Petroleum Club in the Billings Sheraton in Billings, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the NW¼ of Section 5 and the NE¼ of Section 6, T27N-R19E, Blaine County, Montana, is designated a permanent spacing unit for production of gas from the Eagle and Virgelle Formations through the wellbore of the Dunbar #05-04-27-19 well.

# BOARD ORDER NO. 110-2007

|                                       | BOARD OF OIL AND GAS CONSERVATION<br>OF THE STATE OF MONTANA |
|---------------------------------------|--|
|                                       | Linda Nelson, Chairman                                       |
|                                       | Wayne Smith, Vice-Chairman                                   |
|                                       | Don Bradshaw, Board Member                                   |
|                                       | Ronald S. Efta, Board Member                                 |
|                                       | Jack King, Board Member                                      |
|                                       | Bret Smelser, Board Member                                   |
|                                       | Joan Stahl, Board Member                                     |
| ATTEST:                               |  |
|                                       |  |
|                                       |  |
| Terri H. Perrigo, Executive Secretary |  |